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Statement of

FRANK C. CONAHAN

Director, International Division

before the

Subcommittee on Natural Resources,

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of the

Committee on Science and Technology

and the

Subcommittee on Human Rights and International Organizations

of the

Committee on Foreign Affairs

U.S. House of Representatives

Chairmen and Members of the Subcommittees:

We appreciate the opportunity to provide you copies of our Report "Changes Needed in U.S. Assistance to Deter Deforestation In Developing Countries" issued today. My testimony will summarize the major issues addressed in the report and the responses of the Department of State and the Agency for International Development (AID) to our report recommendations.



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The forests of most developing countries, once considered renewable natural resources, are not being replaced quickly enough to sustain an adequate natural resource base to support the growing populations. Although the extent of environmental damage associated with the destruction of forests varies among developing countries, its primary cause is principally the same and is linked to the clearing of forests and vegetation cover--for more farmland, pastures, fuelwood, and livestock fodder--by a predominantly agrarian population.

Developing countries are not making the necessary financial and political commitments to (1) deter the environmental problems brought on by the destruction of their forests or (2) sustain the assistance provided by AID and multilateral development banks and other international organizations. In addition, assistance recipients are finding it difficult to implement and manage forestry projects.

BACKGROUND

Since 1978, the AID program has provided \$579 million for 72 forestry-related projects of which \$136 million was for discrete forestry activities. AID forestry projects and forestry components of AID agriculture and rural development projects, include the provision of services, equipment, education, and technical assistance mostly through the host-governments' fledgling forest service organizations. These projects are to

assist the developing countries to: collect and analyze natural resource data; develop land-use resource plans; and plant trees for fuelwood, watershed protection, and commercial forest production. Similar programs of the multilateral development banks and FAO, to which the U.S. contributes, include \$1.2 billion for planned and approved commercial forestry projects and \$481 million for forestry assistance projects. We visited five developing countries which were selected to achieve balanced regional coverage of developing-country deforestation problems and donor programs in Asia, Africa, and Latin America.

HOST-COUNTRY COMMITMENT
AND CAPABILITY

Our report concludes that the forestry projects which AID and other donors approved were experiencing delays because host-government forest service organizations have been unable to obtain the necessary financial and political commitments from their governments to

- effectively reform existing land-use practices and, in some cases, related laws and policies and
- fund required counterpart contributions and recurring budgetary expenses for forestry projects.

The developing countries we visited were attempting to solve their forestry problems and were working with AID to solve project implementation problems. The very real economic, political, and social problems, however, limit the ability of these countries to ease the agrarian population pressures on the mountains, hill-

sides, and other marginal lands not suited to intense cultivation and grazing. Other studies show that AID's programs in other countries may be having similar problems because forestry and natural resource conservation have been and continue to be a low priority for most developing countries, which are beset with higher-priority economic and agriculture problems.

Although the developing countries have established forest service organizations, they are insufficiently funded by their governments and do not have enough trained staff to undertake the forestry projects which AID proposes, some involving new or untested technologies. Current project implementation is uncertain. In two cases, AID has withheld the disbursement of project funds because countries have been slow in complying with project conditions and covenants.

We have recommended that AID support forestry-related activities that countries are capable of carrying out. In cases where host-government political and financial commitment is weak or non-existent, AID should work to engender more positive commitment to deforestation problems. We have also recommended that AID assess the implementation problems which have delayed some projects and where problems are attributable to limitations on host-government capabilities, adjust the projects to be better suited to developing-country capabilities. We believe this will necessitate a willingness on the part of AID to plan fewer activities and accept the

need for possible successive projects to help satisfy the longer-term forestry assistance requirements of developing countries.

DOES U.S. ASSISTANCE
FOCUS ON THE PRINCIPAL
CAUSES OF DEFORESTATION?

The principal cause of deforestation--the subsistence farmers' clearing of forests for pastures, farmland, fuelwood and livestock fodder--is not being adequately addressed in U.S. assistance activities. We found that

- fuelwood projects, which AID and other donors funded, do focus on alleviating a major cause of deforestation. But since these projects will not satisfy the increasing demand for fuelwood, deforestation in developing countries will continue;
- forestry and natural resource projects, which place considerable emphasis on strengthening host-government forestry programs, do not focus enough attention on the principal cause of deforestation; and
- development assistance project planning can have a more direct, immediate, and lasting impact on the principal cause of deforestation through integrated forestry and agriculture programs.

Many AID projects are attempting to bolster the capabilities of host-government forest services to encourage improved forestry and natural resource conservation among developing-country subsistence farmers. The effectiveness of this project approach is questionable in our view because the forest services lack the (1) financial and political support of their governments and (2) extension systems needed to introduce improved and sustained conservation practices to subsistence farmers.

Greater use of established agricultural extension systems in lieu of creating somewhat duplicative forest service extension systems could more immediately introduce improved forest and land-use conservation practices to subsistence farmers. AID and other donors have endorsed strategies in their policy papers which could encourage greater use of this approach, by integrating forestry with agriculture programs.

Some degree of integration exists, as noted in our report. However, using its agriculture program for solving food and forestry problems will not realize its full potential unless AID makes a concerted effort to convince developing countries to include the landless and small landowner farmers as part of any solutions. These subsistence farmers will continue to be the cause of serious environmental and forest-related destruction until means for livelihood are improved.

The assistance sponsored by AID and other donors to build management capabilities of forest service organizations will be needed to bring about long-term and sustained forestry programs in developing countries. We believe, though, that some of the emphasis on forestry institution building can be reduced. If some of the emphasis on forestry institution building can be reduced, the host-government counterpart contributions and recurring budgetary expenses might be correspondingly reduced, thus, easing serious implementation problems. Further, better use of established agricultural extension systems may also

help readily overcome the problems associated with changing the attitudes of subsistence farmers about forestry and natural resource conservation. In the countries we visited, the forest services generally have a credibility problem with subsistence farmers because of their policing activities which attempt to keep subsistence farmers away from forested regions. As a result, farmers have come to resent the forest service projects.

We have recommended that AID and other donors focus increased attention on strategies to slow the destruction of forests caused primarily by subsistence farmers. Doing more includes working to settle subsistence farmers into more permanent and intensive farming systems. This could include:

- more education in the use of land, fertilizer, seeds, and available water for irrigation;
- more community-oriented training in participative fuelwood production;
- more activities to increase small farmers' incomes, such as resin extraction, bee-keeping, fuelwood and charcoal production, and small wood products and handicraft enterprises; and
- the establishment of forest service credibility among villages through better-planned pilot projects to demonstrate the maintenance and use of nurseries.

The fact that these problems are being addressed by AID and other donors, to varying degrees and with some success, is evidence that the problems are susceptible to some measure of resolution.

MORE DONOR COORDINATION AND DEVELOPING-
COUNTRY COOPERATION IS NEEDED

Coordination and cooperation among international donors at the country level is infrequent and is not encouraged by host-governments. At the international level, efforts to establish a focal point to coordinate international action on forestry has not been very successful. The lack of coordination was attributed to (1) a lack of country interest, (2) varying political and economic interests of donors and the countries, and (3) competition among donors. In our report we conclude that the Department of State, AID, and other involved agencies must continue their efforts to coordinate, where possible, both at the international and country levels.

AGENCY COMMENTS AND
OUR EVALUATION

AID generally agreed with our recommendations. AID noted however, (1) the need for longer timeframes to effectively plan, carry out and sustain forestry and related natural resource projects, and (2) the effective use of existing agricultural extension services must take into account their strengths and weaknesses on a case-by-case basis.

AID agreed that developing countries should not be saddled with more forestry assistance than they can use and that the Agency's current program tends to be integrated and directed more to building institutional capacity. The Agency also pointed out that there are occasions when forestry assistance is best suited to discrete forestry projects. AID sees its current portfolio

of forestry projects as only a first generation of assistance efforts. Because many projects are building on emerging host-country concerns, AID believes it is too soon to predict developing-country commitment. In this regard, the Department of State felt that our report did not adequately recognize the rapid growth of worldwide concern about forestry loss or that developing countries are beginning to respond to a rapidly developing situation.

Our report points out that AID should tailor its forestry assistance to what the developing countries can reasonably be expected to implement during the life of the project. Our recommendation is not intended to imply that AID should only be involved in forestry activities where institutional capacity is already established. We are suggesting that AID project planning more carefully assess, on a country-by-country basis, both the existing and near-term potential capabilities of countries to meet the political and financial requirements of AID project covenants and conditions.

I believe it is important to note that our discussion of host-government commitment is not intended to imply that developing countries do not care as much as the United States does. We are pointing out, however, that donor forestry assistance planning needs to realistically assess existing and potential capabilities and constraints on host-governments which directly impact on the implementation and sustainability of forestry projects.

This concludes my statement. We would be pleased to answer any questions you or other members of the Subcommittees may have.